

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 131
AN ACT

To repeal section 144.064, RSMo, and to enact in lieu thereof two new sections relating to firearms tax relief.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 144.064, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 135.098 and 144.064, to read as follows:

135.098. 1. For purposes of this section, the following terms shall mean:

(1) "Department", the Missouri department of revenue;

(2) "Federal firearms excise tax", the federal firearms and ammunition excise tax imposed pursuant to 26 U.S.C. Section 4181;

(3) "State tax liability", any liability incurred by the taxpayer pursuant to the provisions of chapter 143, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions;

(4) "Tax credit", a credit against the taxpayer's state tax liability;

(5) "Taxpayer", any individual subject to the state income tax pursuant to chapter 143.

2. For all tax years beginning on or after January 1, 2024, a taxpayer liable to pay federal firearms excise tax shall be authorized to claim a tax credit in an amount equal to one hundred percent of such tax paid by the taxpayer on

20 sales of firearms and ammunition sold by the taxpayer during
21 the tax year.

22 3. The tax credit allowed by this section shall be
23 claimed by such taxpayer at the time such taxpayer files a
24 return and shall be applied against the income tax liability
25 imposed by chapter 143, excluding the withholding tax
26 imposed by sections 143.191 to 143.265. The department may
27 require any documentation it deems necessary to administer
28 the provisions of this section.

29 4. Any amount of tax credit that exceeds the
30 taxpayer's state tax liability shall be refunded to the
31 taxpayer. Tax credits authorized pursuant to this section
32 shall not be transferred, sold, assigned, or otherwise
33 conveyed.

34 5. A taxpayer shall not claim a tax credit pursuant to
35 this section if the taxpayer has retained sales tax pursuant
36 to section 144.064 for the same federal firearms excise tax
37 paid.

38 6. The department may promulgate rules and adopt
39 statements of policy, procedures, forms, and guidelines to
40 implement and administer the provisions of this section.
41 Any rule or portion of a rule, as that term is defined in
42 section 536.010, that is created pursuant to the authority
43 delegated in this section shall become effective only if it
44 complies with and is subject to all of the provisions of
45 chapter 536 and, if applicable, section 536.028. This
46 section and chapter 536 are nonseverable and if any of the
47 powers vested with the general assembly pursuant to chapter
48 536 to review, to delay the effective date, or to disapprove
49 and annul a rule are subsequently held unconstitutional,
50 then the grant of rulemaking authority and any rule proposed
51 or adopted after August 28, 2023, shall be invalid and void.

52 7. Pursuant to section 23.253 of the Missouri sunset
53 act:

54 (1) The program authorized under this section shall
55 expire on December 31, 2029, unless reauthorized by the
56 general assembly; and

57 (2) The act shall terminate on September first of the
58 calendar year immediately following the calendar year in
59 which the program authorized under this section is sunset;
60 and

61 (3) If such program is reauthorized, the program
62 authorized under this section shall automatically sunset six
63 years after the effective date of the reauthorization of
64 this section; and

65 (4) The provisions of this subsection shall not be
66 construed to limit or in any way impair the department of
67 revenue's ability to redeem tax credits authorized on or
68 before the date the program authorized pursuant to this
69 section expires, or a taxpayer's ability to redeem such tax
70 credits.

144.064. 1. No sales tax levied under this chapter on
2 any firearms or ammunition shall be levied at a rate that is
3 higher than the sales tax levied under this chapter or any
4 other excise tax levied on any sporting goods or equipment
5 or any hunting equipment.

6 2. Beginning August 28, 2023, in addition to all other
7 exemptions granted pursuant to this chapter, there is hereby
8 specifically exempted from the provisions of and from the
9 computation of the tax levied, assessed, or payable pursuant
10 to this chapter and the local sales tax law as defined in
11 section 32.085, all sales of firearms and ammunition sold in
12 this state.

13 3. Beginning August 28, 2023, from every remittance of
14 sales tax to the director of revenue made on or before the

15 date when the same becomes due by a person selling firearms
16 or ammunition, the person required to remit the same shall
17 be entitled to deduct and retain an amount equal to the
18 amount of the federal firearms and ammunition excise tax
19 paid by such person pursuant to 26 U.S.C. Section 4181, as
20 amended. If the amount of sales tax required to be remitted
21 is less than the amount of the federal firearms and
22 ammunition excise tax paid, the amount allowed to be
23 deducted and retained pursuant to this subsection shall be
24 carried forward to subsequent sales tax filing periods until
25 the full deduction is made.